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Sally E. Downey, Ed.D.
Superintendent

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September 5, 2000

AZ CORP COMMISSION
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Mr. Paul A. Bullis, Chairman
Power Plant and Transmission Line Siting Committee
c/o Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: In the matter of the Application of Salt River Project to expand its Santan Generating Station, Power Plant and Transmission Line Siting Committee Case Number 105

Dear Mr. Bullis:

On behalf of the East Valley Institute of Technology District #401, I am writing to express support for SRP's proposed expansion of its generation facilities in Gilbert at the Santan site. I am providing these comments under the provisions of ARS §40-360.05(B), and request that they be made a part of the record in this docket.

East Valley Institute of Technology District #401 (EVIT) is the first joint vocational-technical public school district in Arizona. The following school districts send their high school students to EVIT for one-half day for job-ready, vocational-technical training:

Apache Junction Unified School District
Fountain Hills Unified School District
Higley Unified School District
Mesa Unified School District
Scottsdale Unified School District

Chandler Unified School District
Gilbert Unified School District
J.O. Combs Elementary School District
Queen Creek Unified School District
Tempe Union High School District

As you will note, all of these school districts are in the high-growth East Valley. As the East Valley's population grows, so will these school districts as well as EVIT's enrollment. I am aware of the facts regarding Santan. As a state funded school district, EVIT operates on a limited budget. We rely heavily on electric power at the lowest rate possible. It is my opinion that the proposed Santan project will enable not only EVIT but the anticipated growth in the East Valley to have continued reliable, low-cost power from SRP. I am confident that they will build and maintain an environmentally responsible facility meeting all air quality regulations. On behalf of EVIT, I support the Santan project.

Sincerely yours,

Sally E. Downey, Ed.D.
Superintendent

Dear Editor:

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Over the last several months I have read and heard some confusing statements regarding the Salt River Project's (SRP) plans to expand their power plant at the existing San Tan site in Gilbert. For the record, I am a Gilbert resident and the President of the Arizona Tax Research Association, of which SRP is one of 400 members.

Some concerned citizens in Gilbert have questioned whether the tax revenues generated by the San Tan facility will benefit our community as much as the Salt River Project would have us believe. SRP has said that the project will pay about \$100 million in new taxes over the next 21 years.

There are many issues being debated regarding the SRP power plant. However, the fiscal impact and the associated tax benefits that the plant will have on Gilbert taxpayers should not be one of them. There is no question that the new San Tan facility will strengthen Gilbert's tax base to the benefit of all Gilbert taxpayers. The plant will add to a slowly developing commercial base in Gilbert and hopefully help reverse the trend of higher tax rates in Gilbert. Gilbert's explosive residential growth has placed significant demands on local government budgets and led to increases in both property and sales taxes.

After reviewing SRP's figures, I am convinced that they are largely correct. Reasonable estimates are that the San Tan expansion plant will generate, over the next 21 years, over \$31 million in new tax revenues to the following sources:

- \$8.9 million to Maricopa County
- \$3.4 million to County Equalization for schools
- \$8.2 million to the Town of Gilbert
- \$7.8 million to the Maricopa Community College District
- \$838,000 to the East Valley Institute of Technology
- \$1.6 million to special districts including hospital, flood control, and library districts.

The remaining \$69 million (\$3.3 million per year) of the \$100 million will go to the Gilbert Unified School District (GUSD). While state law appropriately limits the amount schools can spend based on student enrollment and not property wealth, the added San Tan value will benefit all taxpayers by spreading the tax burden for bond debt service and budget overrides.

In the first year alone the San Tan expansion is projected to drop the GUSD tax rate from the current \$8.97 to \$8.82, a reduction of \$22.15 in annual property taxes for a home valued at \$150,000. When the plant is fully on-line in the sixth year those annual savings climb to \$44.26.

With seventy-two percent of our tax base in residential property, I view the San Tan expansion as a great opportunity to provide much needed balance from commercial/industrial taxpayers. This investment in our community will not only help local governments, it will clearly help assume some of our growing tax burden.

Kevin McCarthy
Gilbert

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